ALLEGIANCE
TITLE COMPANY

TREC One to Four Family Contract Overview

Presented by

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Outline

- Overview of the Current Contract
- Third Party Financing Addendum
- Addendum Regarding Right to Terminate due to Lender's Appraisal
- Proposed Changes to the Current Contract – Expected November 2020

Paragraphs One, Two, Three & Four

- **Paragraph 1:** Parties
- **Paragraph 2:** Property
  - Definition and included items
    - "Permanently installed and built-in items" remain
    - Accessories
- **Paragraph 3:** Sales Price
  - Cash paid by Buyer, Loan Amount and Sales Price
- **Paragraph 4:** License Holder Disclosure

Paragraphs Five & Six

- **Paragraph 5:** Earnest Money
  - 3 calendar days to deliver – unless weekend or holiday
- **Paragraph 6:** Title Policy & Survey
  - 6.A.: Who pays for the Title Policy? What is included?
  - 6.A.(8)(ii): Survey amended to "Shortages in Area"
    - Survey highly scrutinized by title
  - 6.C.(2): New survey "deemed" received when actually received or date specified occurs

Paragraphs Seven, Eight, Nine & Ten

- **Paragraph 7:** Property Condition
  - Inspection and Repairs: Requirements and Timelines
- **Paragraph 8:** Brokers' Fees
  - Contained in separate agreement
- **Paragraph 9:** Closing
  - Date and requirements for closing
- **Paragraph 10:** Possession
  - Issues with Residential Leasebacks – 60 days vs 90 days



Paragraphs Eleven, Twelve & Thirteen

- **Paragraph 11:** Special Provisions
  - Can constitute practicing law without a licenses
- **Paragraph 12:** Settlement and Other Expenses
  - Loan and closing fees - Who pays and how much?
- **Paragraph 13:** Prorations
  - Parties agreement to re-prorate once tax bill is final



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"TREC One to Four Family Contract"